

**Summary Minutes**  
**City Of Sedona**  
**Citizens Steering Committee Meeting -**  
**Sedona Community Plan Update**  
**Community Plan Room, 1725 West S.R. 89A, Suite D, Sedona, AZ**  
**Tuesday, June 19, 2012 – 3:00 p.m.**

1. **Verification of Notice, Call to Order, and Roll Call. Members of the Citizens Steering Committee will attend either in person or by telephone, video or internet conferencing.**  
Chairman Thompson called the meeting to order at 3:00 p.m.

**Committee Members Present:** Chairman Jon Thompson, Vice Chairman Rio Robson and Committee Members Mike Bower - arrived at 3:13 p.m., Jim Eaton, Marty Losoff, Elemer Magaziner, Judy Reddington and John Sather. Angela LeFevre, Barbara Litrell and Gerhard Mayer were excused.

**Staff Present:** Mike Goimarac, Kathy Levin, Donna Puckett and Mike Raber

2. **Announcements from staff and committee.**

Mike Raber explained that the meeting needs to end a few minutes early today to accommodate those that wish to say goodbye to John O'Brien before the Planning & Zoning Commission meeting. Also, the City Council retreat on July 31st is focused on setting priorities for the next year and they are requesting an overview on the Community Plan to ensure that the City priorities won't conflict with the Plan. Ideally, they want a work session ahead of the retreat to get some idea of where the Plan is heading. We may not be able to be real specific, but it would be good for some members of the Committee to get with them at or before the retreat to explain where we are in the process, etc. Therefore, he would suggest putting this topic on the Committee's next agenda.

In response to requests for clarification, Mike explained that no date has been set for the work session, but we may want a few of the Committee Members to be available for that. Additionally, in response to a concern that the date of the next Committee meeting doesn't provide much time to prepare, Chairman Thompson explained that it can't be discussed now; another meeting would have to be scheduled, unless it is something that staff just does. Mike Raber then explained that on the 10th, we can discuss what we want to present and we can line up some dates before that.

John Sather announced that he and Mike Bower worked on Saturday and made a lot of progress, so they may be able to summarize that on the 10th to get some agreement around the table, because those things would be good to get in front of the Council.

3. **Public forum for items not listed on the agenda – limit of three minutes per person. (Note that the Citizens Steering Committee may not discuss or make decisions on any matter brought forward by a member of the public.) (5 minutes for items 1-3)**

*The Chairman opened the public forum and having no requests to speak, closed the public forum.*

4. **Presentation/Discussion on Proposition 207 and its relevancy to general plans. (30 minutes – 3:05 – 3:35 p.m.)**

Chairman Thompson welcomed Mike Goimarac, City Attorney, and Mike Raber explained that Mike Goimarac was asked to talk about Prop 207 and its relevancy to the Community Plan.

Mike Goimarac distributed a handout of his presentation and explained that Proposition 207 was passed in 2007 and that the City had a Prop 207 case that dealt with our vacation rentals go to the Court of Appeals that the City lost and is now trying to get in front of the Arizona Supreme Court.

As background, Mike explained that the official name of Prop 207 is the "Private Property Protection Act" and the act came out of a couple of bad publicity cases in Arizona and the country, where some people felt municipalities had overreached in terms of their condemnation powers. One case was *Kelo v. New London, Connecticut* and the Arizona case was *Bailey Brake v. City of Mesa*. Both cases involved cities that wanted to improve a blighted part of town and do economic redevelopment, and their plans involved condemning a piece of private property. In Mesa, it was condemning a small brake shop that had been on the corner of Country Club and Main in Mesa for decades, with the intent of conveying that property, he thinks to Home Depot with all kinds of tax incentives, etc., for economic development. It received a lot of bad publicity and the Court said that the City of Mesa had gone too far.

Mike explained that the condemnation right is the 5th Amendment of the U.S. and an equivalent Amendment of the State Constitution that says government can't take property without just compensation, and implied in that by the courts is that you have to have a public use for taking property. You can't just take it for non-public uses. In the Bailey Brake case, they said, "The Constitution requiring a public use is only satisfied when the public benefits and characteristics of the intended use substantially predominate over the private nature of that use." They seemed to frown on the fact that they were taking property from one private entity and giving it to another private entity, so this case and the Kelo case created bad publicity and legislatures around the country rallied to the cause of private property advocates. It wasn't the legislature in this case, it was the people -- a public interest group that basically floated an Initiative to try to scale back any attempts by government to take private property.

Mike indicated that included in the concept of Eminent Domain is the concept of a "regulatory taking", whereby a city or town is not trying to just take property outright by buying or condemning it, but they are enacting laws that have the effect of diminishing the value of a piece of property, and when those laws are enacted, it is called a "regulatory taking". They haven't taken the deed to the property, but by the laws enacted, the property values are affected and people can be compensated for those things too. Prop 207 codified the concept of "regulatory taking" and spelled out a number of governing parameters.

Mike indicated that the law essentially says, "If the existing rights to use, divide, sell or possess property are reduced by the enactment or applicability of any land use law and such action reduces the fair market value of the property, the owner is entitled to just compensation from the state or political subdivision that enacted the land use law." An example is Sedona's Court of Appeals case, Sedona banned short-term rentals of single-family residences for less than 30 days and that had been in the Land Development Code since the Code was enacted, but there were problems enforcing that ban, because you have to prove beyond a reasonable doubt that somebody rented a home, as opposed to a relative, etc., and it was hard to get that kind of evidence, so the City adopted a law that banned the illegal advertisement of single-family residences, so we could hopefully look on the Internet to see people advertising to rent their house for seven days, which is kind of a smoking gun that it is a short-term rental, and in that enforcement law we did in 2008, we also tried to amplify the concept of what rent is, because people were kind of disguising rent. In fact the defendant in the case was not "renting" his property; he was "selling an option to purchase, whereby people would have an opportunity to inspect the property for seven days".

*Note: Chairman Thompson noted at 3:13 p.m. that Mike Bower just joined the meeting.*

Mike Goimarac continued to explain that the property owner sued the City of Sedona claiming that the enforcement law is a land use law, because it affects the owner's existing right to sell the property by way of purchase option; therefore, the City violated Prop 207, Private Property Protection Act, and he is entitled to fair market value. He wanted the fair market value of the land, house, everything, like the house was worth nothing, because he was stopped from doing this.

Mike then explained that in the context of Community Plans, if our enforcement law was a land use law, somebody might say that a Community Plan that has the effect of reducing the property value

may be a land use law, and if you pass the Community Plan and the property value goes down, then the City should pay for the loss. The big picture is that is a concern and that particular issue of whether or not Community Plans are land use laws hasn't been litigated. His personal opinion is that they are not. The Zoning Ordinances, etc., are land use laws, but there is still that concern out there, because like the enforcement law was challenged, so it doesn't have to be in the Land Development Code to be a land use law; however, there are things pursuant to this law that you can do to minimize the potential exposure to Prop 207.

Mike indicated that the term "land use law" has its definition in the act and it says, "Any statute, rule, ordinance, resolution, or law enacted by the state or a political subdivision of this state that regulates the use or division of land or any interest in land or that regulates accepted farming or forestry practices." You could argue both sides, we do adopt this by way of ordinance and there is a whole statutory scheme for passing this, etc., plus it is enacted by a subdivision, but does it really regulate the use or division of land? You might say that it doesn't regulate it as much as it is a planning document, and that would be the argument that municipalities would make, but trying to interpret this, you can see that there is always potential for that kind of exposure.

Mike pointed out that there are exceptions to Prop 207 in the proposition itself. In other words, if we adopt a law that might look like a land use law, but it is basically a health & safety law, then it falls outside of Prop 207 and that was the primary argument that we made in our case to the Court of Appeals and that we are now making to the Supreme Court in that our Short-Term Rental Enforcement Act was enacted for the purpose of protecting neighborhoods -- it is health & safety, and the preamble to the ordinance talks specifically about the affects of short-term rentals on traffic, litter, etc. -- affects that we demonstrated through public hearings, when people testified about the problems of living next to a short-term rental where people live differently when they come to have fun for a week. Typically, they are a little nosier and we've had short-term rentals that are basically holding weddings in the house and cars parked up and down the streets for hours, and those kind of complaints have happened and have been documented, so we are hopeful that we win the day that the Short-Term Rental Enforcement Ordinance has a health & safety component.

Mike explained that when you are enacting provisions of the Community Plan, it is always important to emphasize health & safety benefits you might have in terms of a particular provision, when there is an opportunity to do so, because to the extent you can incorporate those into the Plan, it strengthens it as falling outside of Prop 207. Some of the other exceptions are laws enacted for public nuisances, laws that limit or prohibit housing sex offenders, selling illegal drugs, etc. It says you can enact those laws and while they might affect the person's land use, they are not covered Prop 207.

Mike noted that this presentation was given by the APA about possible ways that Prop 207 would affect things, and they listed that it might affect updates to General Plans. We have concerns that Prop 207 might affect Historic Preservation Ordinances and Flagstaff was sued on that basis. Are design building standards land use laws or do they have valid health & safety concerns? These are the potential types of codes and ordinances that could be affected by Prop 207, so it is something we keep in the back of our minds as we contemplate doing these things.

Mike then indicated that the consequence, if there is a taking, is the owner is entitled to just compensation, if he can prove that land use law affected the property value, and that is the reduction in the fair market value resulting from the enactment of the land use law. It can be very hard to prove on one hand and because of that, it is also subject to exploitation. People can certainly find an expert to say that this law devastated their land use, so there is a fear that large judgments can be obtained as a result of applying this law. To show that the law is kind of skewed, it says if the property owner doesn't win, they don't have to pay any attorney fees, even though the City might have incurred tens of thousands of dollars; but if they win, the City has to pay their attorney fees, so it is kind of one-sided in terms of the kind of incentive that creates, and it is an incentive for plaintiff's lawyers to bring these kind of cases, because if they win even one part, they can be paid their attorney's fees by a municipality.

Mike explained that the City can avoid paying just compensation by entering into a Settlement Agreement or repealing it, but he doesn't think we can repeal the Community Plan, although it also says that the City can issue a waiver to that particular property owner saying that this land use law might apply to everyone else, but we're going to give you a special waiver, and because you sued us, it won't apply to you, so we don't have to pay you money. Those are the ways that the law created ways for the cities to save themselves from the Draconian impacts of the law, and it certainly gives you a flavor for the private property protection interests that drafted this law and the kind of provisions they put into it.

Mike then indicated that in a nutshell that is kind a summary of what the law is and he is open for any questions. Jim Eaton noted that in the Bailey Brake case, it sounds like the fair market value of their property would have increased, but if Mesa had had a General Plan with redevelopment planned for that area and the City acquired the property through Eminent Domain and paid that fair market value, wouldn't that case have gone away?

Mike Goimarac explained that he thinks the City really did want to pay the fair market value, but he didn't want to move, and in a condemnation case, there are two factors involved. One factor is just compensation and the other is that we have to prove a public purpose, and in that case, the City lost on the public purpose aspect of the law. Additionally, there is another whole section of Prop 207 that deals with the condemnation of public purposes, and they enacted statutes that limit when we can condemn a blighted property for redevelopment, because the concern of a lot of communities was that cities are overreaching in terms of their economic development and taking private property, like in the Bailey Brake case, with the intent to transfer it to other private property interests and calling that a public use, so Prop 207 has a number of parameters that have to be met in order to justify that kind of condemnation.

Jim Eaton asked if that was a small part of a larger general redevelopment plan or just kind of a small . . . Mike Goimarac explained that he doesn't know the specifics of what Mesa did. He thinks their redevelopment plan was probably pretty aggressive, and he is sure that it has been scaled back a lot since then, and there is legislation in addition to Prop 207 that governs how cities can do redevelopment. Jim Eaton then asked if it would make a difference if it was like one acre out of forty and Mike Goimarac indicated that is hard to say.

Marty Losoff asked if it had been condemned and used as a park or public square . . . Mike explained that those are all valid public uses, so in terms of Prop 207, he doesn't know that designating open space, etc., for a very clear public use would take the same scrutiny that the case of Bailey Brake did. Marty then asked how Sedona lost its case and Mike explained that the Court of Appeals decision was that we hadn't gone far enough or hadn't demonstrated that it was a health & safety law. They said that we had the preamble outlining all of the health & safety concerns, but they said that all we did was mimic Prop 207; we just called it health & safety. In fact they imposed new standards that we have to prove by a preponderance of the evidence, etc., and our argument to the Arizona Supreme Court is that this is judicial legislation. Where does it say that we have to prove something by a preponderance of the evidence in the statute? This is a court legislating what our burden of proof is rather than the legislature doing that, so we are hopeful that the Supreme Court will agree and say that the Court of Appeals went too far and that there is a separation of powers argument too. Legislatures, i.e., City Councils legislate and courts interpret, and we feel that separation of powers was kind of violated; they didn't give the discretion and deference that they should have given to the City Council. We are the ones that should determine what a health & safety issue is, and they kind of looked at it and said well it is not obvious, like a law about garbage, etc., and he guesses that our response to them would be that maybe you don't live in a city of 10,000 where four million visitors come every year, and they want a place to stay besides a hotel and that is the impact that Sedona has, and because of that, we have a fear of our residential neighborhoods being turned into rows of mini-hotels and people living in them like they live in hotels, and we feel that there are valid health & safety impacts. It should be our decision as to what a health & safety impact is, not a court deciding it is not a good enough health & safety impact.

Vice Chairman Robson asked if it would be a commercial use on a residential lot, if you are renting it out and Mike indicated yes, that is why we don't allow it. The Vice Chairman then asked if it would be a Code violation that you could stipulate, and Mike Goimarac explained that it is very clear that it is a Code violation in our Land Development Code, and if we were just relying on our original Land Development Code, Prop 207 wouldn't apply, because the Land Development Code was in place before that became effective, but the problem was proof -- it is hard to prove that, and they want to eliminate the ordinance, so they can advertise short-term rentals on the Internet.

John Sather asked if in no way this implies that we couldn't have free rein in talking about a piece of property in the City during these sessions and Mike indicated yes. John explained that in the first Community Plan, they were threatened by a coalition of 89A property owners who hired Jay Dushoff who said that even discussing Transfer of Development Rights was illegal, because just those words out in the public might diminish the value of the property, and that was before Prop 207. He then asked again if Mike was saying that whatever we want to say, we can just talk about somebody's property and say it would be nice if that was a high rise or it would be nice if that commercial property became a park. Mike explained that the other exception is if the land use laws "do not directly regulate an owner's land", so that is one aspect that plays on the side of the Community Plan not being a land use law, because it doesn't directly regulate, and if the Community Plan doesn't, you would hope that mere discussions about it isn't a direct regulation of someone's land. Are discussions possible ammunition on both sides if it ever gets into litigation, perhaps; it is something to keep in mind, but he would hope that given that we have a statutory mandate to do Community Plans and that we are supposed to plan and have public participation, an argument could be made that the whole public participation process would be chilled if we have to live in fear of everything we say being used against us in a Prop 207 case.

John Sather then asked, if you have property X and it is Commercial on the Zoning Map, but through this Committee, the community, City Council and the vote, the Land Use Map converts that to something else in another language, since it would be talking in land use not zoning language, and those two haven't been rectified yet and wouldn't be at the time of the vote, so if property X's land said it was Commercial, but the Land Use Map said it was Mixed Use, does that kick in Prop 207? The owner still has the Commercial zoning, and if we have done our job right, we have given tools in the Plan to get that from one to the other. Mike indicated that in his opinion no, but that doesn't mean that kind of case can't happen one of these days. Getting back to the exception, it is a land use law that does not directly regulate an owner's land. He doesn't think Community Plans directly regulate land; Zoning Ordinances directly regulate land. That is the argument he would make, but whether that would ultimately prevail or not, he doesn't know. He would think it was the general intent of makers of Prop 207 not to have it extend and he isn't aware of any legislative history. You don't really have any history when something is passed by Initiative and a group of people in a room come up with some language that is put in front of the voters, so it is hard to say what they intended; however, since Prop 207 was enacted there hasn't been a case arguing that yet.

John Sather asked how many cases there have been and Mike indicated just a handful. John then asked if there are attorneys that are emerging as Prop 207 ambulance chasers and Mike stated that he doesn't know, but one thing that has happened is that Prop 207 has chilled the aggressiveness that cities go forth with rezoning efforts. It is always in the back of our minds to ask if it presents a Prop 207 issue, and there hasn't been a lot of case law develop, because a lot of the land use regulation hasn't been as aggressive as before.

Marty Losoff commented that it scared the heck out of P&Z, until they realized that they shouldn't let it scare them. We can't let it stop us from thinking; we can always back off, but we should at least have that thought out there first. John Sather added that if we do our work right, we should test the envelope as we study options, because there is enough community input that justifies testing that envelope in some of these alternatives. On the other side, it would just be to not do much and move on. If you were here on Saturday with and Mike Bower and him, just the discussion would have scared you a little bit, but that is why we are here -- to think hard and long,

and then achieve balance, but he wants to be sure we aren't leading someone down some dumb road.

Mike Goimarac indicated that he didn't think so and he mentioned focusing on health & safety when possible. Another thing to consider is some kind of preamble statement in the Community Plan at the outset that this is generally a planning document; it is not meant to "directly regulate an owner's land", which is something that is done at Planning & Zoning, because that might be something that we can point to and say it wasn't our intent to directly regulate someone's land. It is our intent, that if the opportunity becomes available for this land use to be converted to a different land use, we would go ahead, because we see that. Those are a couple of things we can do to minimize the potential impact of Prop 207.

Marty Losoff commented that Mike had also advised them to be as general as possible and not be as specific, so maybe if we don't identify a specific parcel and just talk in generalities. . . Chairman Thompson then asked if we say something in the Community Plan like the public has expressed an interest in having this area be a conference center, and it is currently residential, so it is clear from the Community Plan that we are directing Planning & Zoning to do some different zoning, would that be going too far? Mike Goimarac explained not until you actually rezone it. . . Chairman Thompson pointed out that then the Planning & Zoning Commission is not following the Community Plan, if they don't do what we are suggesting. Mike suggested not saying, "We hereby direct the Planning & Zoning Commission to rezone this." Chairman Thompson then indicated that it puts the Committee in a position where there is no point talking about what the community would like to see if it would result in P&Z doing that and somebody getting upset.

Mike Raber explained that they may not be the ones doing the rezoning; it may be the property owner and it is giving them the right incentive to see the value in doing that. Chairman Thompson agreed if property owners want to do something different, that is a different story. Mike Goimarac added that in his 17 years here, he doesn't think we have ever rezoned a piece of property against the wishes of the property owner; however, Mike Raber recalled that the Lodging District was probably the main one.

Vice Chairman Robson asked if you aren't able to prove there are short-term rentals going on, but a neighbor can prove it, could the neighbor in turn sue the City for not regulating that property if it is diminishing the value of his property by allowing those short-term rentals in the area. Mike Goimarac stated that is why he thinks they included the provision that it does not directly regulate an owner's land. We're regulating your neighbor's land, but we aren't regulating yours, then our zoning is affecting them, but not you, so we would make the argument that you don't have a basis for that, but it is a point well-taken and he would like for the Supreme Court to understand that our Short-Term Rental Enforcement Ordinance is designed to protect property rights of adjoining property owners, because they bought their property with some expectations and when a neighbor starts using their property as a hotel, those residential expectations diminish, so the practical affect is that you are diminishing their property rights by having a short-term rental next door, but unfortunately, Prop 207 hasn't been interpreted to allow that kind of counter argument.

The Vice Chairman then asked if the property owner that has a diminished value can bring litigation against the property owner that has the short-term rental and Mike Goimarac indicated that they can if it violates CC&Rs, because most of them don't allow short-term rentals, but there are areas that don't have CC&Rs; however, most property owners aren't willing to go to that expense.

Chairman Thompson thanked Mike Goimarac for giving the Committee an idea of the appropriate level of caution.

**5. Discussion/Possible action regarding the development of planning themes organized under tourism, community and environment. (1 hour and 10 Minutes – 3:35 – 4:45 p.m.)**

Mike Bower indicated that it would be good if the Committee Members could join John Sather and him in their work, but they will have to agendaize their schedule. They had a productive meeting and they did a lot of discussing and a lot of note-taking, plus a little drawing. They are starting to work on the boards that the group has been talking about for each of the three areas of emphasis, so they have "ECT" for "Environment, Community and Tourism", and they are going to make a big presentation board that can sit in lobbies of grocery stores, etc., so people can see some ideas that create Sedona as the best of the best at Tourism or for Environment, it would be the ideas that really nurture the environment with a low-impact footprint, or the Community ideas that would help us interact and help each other.

Mike indicated that as an overview, they are going to make some big boards that will include a map of town. They will have key components around them that amplify some of the ideas or maybe they are just separate dialogues about issues associated with one of the areas of emphasis. Some of the Planning Teams' work might be applicable, so the specific ideas are represented in A, B and C and maybe they can show up on the boards, but maybe not. As they have gotten into it a little more, they said that a lot of that has been really stimulating and they totally appreciate everybody's involvement, but it could be confusing and it may have confused the Committee to some extent, so they will be judicious about what gets applied that way.

Mike explained that he and John started talking about a map in each of the three areas of emphasis and the main outcome was that they went through town and identified probably nine particular geographic locations that have the opportunity to be looked at three different ways. One of the keys to avoiding the dilemma that Mike Goimarac was talking about is not to identify a property with the property boundary, but maybe it is a zone or a little larger area, so we are still thinking more generally that way.

Mike then named the following areas that he and John Sather identified:

- Cultural Park Zone - could include the high school and other lands even outside of the developed area; the lands to the west. An issue in the future is if we are going to grow to the west or not.
- Airport Mesa - fifty years into the future, what kind of planes might we have, if any? Tourism has a grand fourth entry gateway into Sedona and there is a lot of air traffic or are there "beam me up Scotty" aliens that move in? They talked about, using the airport just as an example, if we really were becoming the greatest stewards of the planet, in that long-term vision, we might phase the airport out and just keep it for something else, and what might it be in that envirovision -- wind farm, energy generation, solar voltaic, algae for bio-fuels, etc., with the whole City off of the grid and all of our electricity produced somewhat centrally, but decentralized in relation to Palo Verde Nuclear Plant or typical ways of creating power.

John Sather indicated that the airport has been talked about forever and there were clearly those in the audience that wanted a very strong environmental vibe, and he is working on a project that was studied for a population three times that of Sedona, to be totally off of the grid by creating a regional power generating plant, so he and Mike Bower are trying to place it back to comments received, but not always. There is the desire to have that whole citizen involvement piece represented and it is, but we also need to be looking for those things that weren't said or even weaving pieces together, which is when you can get a fourth idea. Additionally, when Mike Bower mentioned nine locations, we said rather than going through the whole City and trying to create a Land Use Plan for each of these, those determined and talked about will clearly demonstrate the point of that alternative, so they didn't think they needed to . . . , and part of the meeting was trying to figure out what they were trying to create and how they can get their point across. He felt if they picked major determinant pieces, they will figure out where the fragments that aren't shown will go, if we go down that path.

Chairman Thompson asked if their idea was that the nine or eleven would be the same on all three boards and Mike Bower indicated that is correct. Chairman Thompson indicated that in some cases it might be the exact same interpretation, because it is just as viable for Community as for Environment or Tourism. Mike Bower agreed that is possible and explained that they discussed

that when that occurs, it is an opportunity for somebody to see that idea perfectly well with Community, but we might have it represented on Tourism and with a slightly different nuance on Community. If the blue dots are going up there, it will let the Committee get a read on the flavor of one versus the other, and with that said, the whole "wipe out the airport" discussion brought up that we really have to be careful in how we go about representing community preference. It has to be made clear that we aren't just going to tally them up; we are really getting all of this stuff on these three to move to the balanced consensus vision, and since it is complex, there are a lot of nuances, and even though everyone might put a mountain of dots on having no airport, if they really like energy generation, but in the big picture, the airport should survive, we could interpret those blue dots to mean self-energy generation and create a different way of achieving that. Mike then stated that level of freedom to knit it together implies that we have to be clear that it is not just adding them up; otherwise, we aren't doing justice to our neighbors or the whole idea of thinking in the process.

Chairman Thompson commented that the response from the people on May 14th was very encouraging in that they were able to accept that idea, rather than just see three things and say don't do that. Mike Bower added that the fact these three are what they are and we're moving gives us a little more wiggle room to not have to worry about that yet. Another example that surprised him was that towards the end of the session, they started asking about the whole industrial park. At the top of Schnebly there is the Humane Society, Sedona Recycles, contractor yards, a little bit of manufacturing and auto repairs, so you have some services that Sedona needs, but how does that show up in all three?

Mike explained that he and John Sather thought that in Tourism, that area might become central services where laundry, major deliveries, and organization and distribution of goods can occur on a very business-like basis, to help each of the tourism providers provide the best experience and not encumber their own site with maintenance yards, etc., and a lot of places that are preplanned centralize those resort services. In Environment, that might become the place that we take care of our own waste and internalize it; we aren't going to externalize anything if we are going to be honest about our building footprint. Now, we truck stuff to Grey Wolf and do some recycling there, but there is a lot more to be done. In a long-term vision, that whole idea pervades the industrial park where we repurpose waste, generate new materials and take care of our own waste. In the Community version, it might become a spot for more diversified economy where we make things. America is starting to recognize that we quit making things, but if you are thinking about community and diversifying jobs, you need jobs.

Mike indicated that was just another example that he started thinking about, but it comes from the boards. Jim Eaton asked if he had considered Contractors Road for commercial services and Mike Bower explained they hadn't gotten that detailed yet. They looked at that area based on Norm's Working Team plan, but they haven't gotten their arms around trying to create alternatives to what Norm did for that, but it is definitely an area, because those are soft buildings and they are going to be regenerating in the upcoming decades. To have a vision for that regeneration is intelligent, rather than just having a zoning overlay with every man for himself.

Marty Losoff indicated that what Mike Bower and John Sather are talking about is exciting and he respects that they are trying to stay with the boards, but he would encourage them to go beyond the boards, because the boards and input received probably represents a small percentage of the community. A large percentage of the community is waiting to react to what we come up with. We haven't heard from enough people, so he is glad to hear that you are going beyond the boards. When his Working Team first met, their first thought was what if we eliminated Main Street, so it would just be a thoroughfare going to the Canyon and all the stuff on Main Street would be moved someplace else, and like taking off the airport, those are the visioning things that can be very exciting.

Chairman Thompson indicated he would second that and the whole idea of getting input from the community was not just to have a list of things that would be the total things we work with; it was to get a feel for what they want, so we then could produce something to show them, so they can tell



us how they like it. We can bring our own things to it and all of the examples given so far are things that may not have been suggested specifically by people in the community, but they are ideas that are coming from the feeling from the community. He would know if somebody said something that was completely antithetical to what the community was saying and he is not hearing it, so he would say to keep pushing it. The fact that we are doing these alternatives gives us even more latitude to go further out, so people can say they never went that far. We are just doing another round of community input by giving them something to provide input about.

John Sather stated that part of Saturday was just to get their feet wet and figure out what they were going to do, but they also had to move into some policy issues that aren't land use plan oriented, to help explain things. For instance, if we say that the Cultural Park in the environmental scheme should go back to nature, and we know it is private property, what is a policy that would allow us to acquire open space? Is it a Transfer of Density Rights, an Open Space Acquisition Fund created through a variety of vehicles, etc., so in some short description, we need to do that to help explain how we get these things to happen.

Chairman Thompson indicated that two weeks ago, the Committee started talking about these big ideas to help Mike Bower and John Sather. We covered Tourism and got part way through Community, and all else being equal, we would switch to that now to talk some more about Community, and then discuss Environment to get that done. John Sather indicated that is fine or we can just discuss the meat of this, because it will help them and the Committee.

Chairman Thompson referenced the information from the last meeting and indicated those are the ideas we were looking at. He then asked if anyone wanted to talk about the Community ideas. Last time, we discussed "pedestrian-friendly" and that was pretty clear.

John Sather indicated that to jump start the discussion, in the Community focus, his belief is that tourism is just slowly consuming our community, and he was really awakened when he watched a thing on Venice and how it is now really nothing more than a shopping mall, and he wondered if we are in the middle of that and aren't waking up to it, so that is why we are studying this. If you say that we are really pushing back on tourism, and in so doing, maybe enhancing tourism, then what replaces it as a driver? We have enough land areas that could be switched and changed in land use and zoning to become alternative employment XYZ, but we need to get out of the world that we are going to become the next biotech center of the world, because every community in the world is saying that, so if we do push back on tourism, let's all be prepared for a lot of pushback to that. He put out there that we have to talk about other ones, like the Jackson Laboratories thing that he strongly believes in, because in today's Republic newspaper, you will see an article about a piece of ground in Mesa where they are trying to attract jobs and create a new city within the City, but they have to do it from whole cloth. They are trying to attract Apple and Solar One, etc., but they don't have anything. All they can say is if you come, they will create whatever you want, and he looks at Sedona and says we already have all of that stuff, but nobody is selling it to anyone. We aren't trying to attract the Brain Trust group or XYZ researchers, and say that we already have the place -- all the trails are here, all the good restaurants are here, we have a pretty good school, etc., so let's help concept what those things might be, so we don't just say "employment" or just "switch Cultural Park to commercial".

Mike Bower indicated that in the information he wrote, he put in italics some specifics after the paragraphs to spark ideas. Deepak Chopra has holistic healing centers in various parts of the United States. They are commercial ventures, and they are a specific like John Sather is talking about, and he actually put them in his Tourism focus, but if you think about them and perhaps an Andrew Weil Healing Center, you can create a lot of jobs with those, and when we say push back on tourism, part of what we mean is in the future in Community, we would see tourism evolving to the point that it would be more synergistically tied to diverse economic opportunities for residents, as opposed to just trying to attract anybody here for anything.

Mike then explained that in Community, we would really try to structure big ties between the type of tourism and economic development. The culinary institutes have been thrown around, but they are one example where people might come and visit to take a two-week seminar put on by local chefs; however, his children might have been able to sign-up and pass CIA of the West and get a job in Sedona, and have an education a little different than their NAU Marketing Degree. Those are a couple of specific alternatives to the Jackson Laboratories; they are similar ideas, but they tie maybe a little more strongly to visitation. Jackson Labs could position itself with a conference center and some other think tank on one of our sites and generate a different type of visitation.

Jim Eaton indicated that he keeps coming back to one thing. We probably are not going to get an outfit like a Google headquarters in a big building in Sedona, and we probably don't want it, but he keeps coming back to home occupations. The way telecommunications is now and the way it is growing, you don't need a big headquarters full of cubicles. He had a home occupation for 11 years and filled a page with the types of local businesses that he brought money to and he never sent a nickel out, and his business was low-tech. Higher-tech home occupations or small two or three person offices with services in the community to support home occupations like that might be the biggest part of our future, and it is certainly low impact.

John Sather asked what we would want to see or what do we have to change to embrace that idea more. Currently, if you are operating out of your den or guesthouse, etc., there is no one to stop you. It is part of the culture of the community and he thinks we have a lot of it already going on. Jim Eaton pointed out that we have Staples, UPS, Internet and everything he needed. John Sather added that in Community, it is like let's take this place back a little bit and part of it is if things like that help the traffic situation, etc. It is a great idea that certainly places in Community, and he is looking for what we have to change or maybe we just promote that concept more.

Chairman Thompson mentioned daycare and Elemer Magaziner pointed out that we need T-1 lines. When he talks with young entrepreneurs in town, they say that the Internet in Sedona sucks. They can't really do business with the Internet service they have. John Sather noted that is a really good point. Elemer pointed out that Las Vegas has a lot of high-tech industry there, because they established a communication infrastructure beforehand, plus tax breaks. He tries to do business with his clients like videoconferencing, etc., and it is pretty sad.

Jim Eaton stated that it would not be that difficult to gain those and Elemer clarified that is one of the things we would need. Mike Bower pointed out that he has drug T-1 lines into clients' homes, but it costs a lot of money; however, we have talked about a creative commons where people can share ideas and use common T-1 access. Cottonwood already did theirs and little centers like that could be done.

John Sather indicated that he has a home office and when he is focused on something, he loves it, but he has a limit as to when he wants to be working alone, then he wants to chat with somebody. He can do that in a second in one of his offices, but if we were more open to community gathering places that aren't just lined on S.R. 89A or S.R. 179. . . The Republican Tea Company was started in his house by a guy that wrote a business book about it, and he was like the perfect guy to come to Sedona. We just need places where you cross-fertilize like you do in an office environment.

Elemer Magaziner indicated that another one related to the T-1 line is that when tourist season slows down, we should be able to sell over the Internet 12 months a year, but we don't have enough good infrastructure Internet-wise to be able to set-up a virtual shop. Those are two things the young entrepreneurs keep pounding on.

Marty Losoff indicated that as far as Community, his philosophy has been "Go bigger stay home". We hear about the market places, community centers, etc., but he would put a huge asterisk under economic development, and none of these things would be unreasonable. What about Disney; we have a beautiful place for Disney to have a studio or Disney University. We should be thinking about how we attract these companies and not think that it is going to be improbable. Disney has

an imagination and if they see the beautiful scenery, it may excite them, so he wouldn't leave any stone untouched, and from an economic development point-of-view, make a major effort to have a Commission or something of that nature to really develop what we can do, so that is what he would stress. He doesn't know how that would be put in the Plan; however as we are reaching out for Community, it may be very important.

Jim Eaton indicated that the idea of grow or die is going away; there are too many examples. You have to analyze the advantages and disadvantages of increased population. Is one of our goals to grow a bigger population to attract more jobs, which more people come to fill rather than being filled here? He feels we should try to retain the young people that we can educate here and help them develop, rather than trying to get more people into town to fill jobs that don't exist now.

Judy Reddington explained that businesses will relocate where their resources, employees and fellows are, so it seems to be a logical place to think about starting that with some sort of assessment of who and what is here already, and then how to extend that for opportunity and growth. She agrees with Jim Eaton that there are a lot of home businesses and with John's point about looking for fellowship, etc., as a part of most people's growth and creative process in business. She then asked Elemer who those young guys are and what they are doing in their homes -- what is that base we can build on?

Elemer indicated that one is in a computer security business, so he consults with big companies all over the world on how to implement security, so they don't get hacked. A lot of them are in computers, but some are selling stuff. Kathy Levin commented about the number of boxes at the Post Office that come in, and Elemer added that they are essentially receiving and filling orders -- they have a shop, but it isn't brick and mortar. Judy Reddington then indicated that she was thinking about an appreciation of our community's foundation.

Elemer Magaziner explained that he also sits in his office, and then he goes to the Heart of Sedona, so he can get into a conversation with people, or he goes to Java Love, so the biggest thing that is missing for him is the Internet.

Chairman Thompson asked if it isn't just the high cost of it; isn't it that you can't get it at any price, and Mike Bower stated no, that isn't true; his father-in-law runs a business here and he is all over the Internet and sells everything, and he has his own servers. It is just expensive, and he also has clients who run T-1 lines in, so they can videoconference -- it just costs money, so the concept of creating community around shared facilities and "creative commons" is used, but "commons" makes you think of something outdoors, whereas "creative commons" is used in e-commerce and e-exploration as who thinks up an idea, that is part of the creative commons, but this commons refers more to the concept of the outdoor commons -- it is a room, plaza, place, etc., where people go who are involved in creating new products or ideas. We have that capability for all the interconnection that Elemer is talking about.

Judy Reddington indicated that Sedona as a center for learning dovetails into the conversation about home businesses, because there are a lot of teaching resources in those and we already have certain elements of that going, so we may need to think about the facilities for that kind of learning center or teaching opportunity. Mike Raber asked if any of our regulations are an impediment; we have a Home Occupation Ordinance that restricts employees.

John Sather indicated that would be one he would key in on, but he doesn't know how well it is enforced. Part of this is that the Community-oriented alternative would not be about bringing in lots more people to create a bigger community. It is how to make it prosperous for those here and to feel like it is our home and we aren't giving it away every weekend, when it is wall-to-wall folks. We also aren't stupid enough to say that they all go away; it is just out of balance. Additionally, when you talk about young people and employment, it is also older people and employment as the ability to retire changes. All of his wife's employees are terrific elderly workers, so that workforce is out there and part of it is creating other opportunities, rather than sitting in a shop, but currently, sitting

in a shop is what most of the elderly want to do, because they don't want to bus tables, although a lot of them are smart and could be doing other kinds of employment, if we created, attracted or self-generated it.

Chairman Thompson indicated that another opportunity for at home businesses is writing of all kinds. When he was in technical publications, half of his group worked out of their homes all over the country, and it isn't just technical writing. People write for ads or whatever, and when you talk about the elderly, that is going to be the only generation that knows how to spell, so when someone is partly retired, but can't quite make it, that is a job that people could do, and there is a connection with the arts, because those people care about the arts, literature, etc., so they would be a natural to want to move here to do that as opposed to something else.

Donna Puckett explained that she has basically been a telecommuting employee; she attends the meetings, but all of the typing is done at home using the City's email system for distribution of the minutes, so the City doesn't have to provide the computer, work station, etc. She also gets calls from residents in Sedona wanting secretarial services to type their books, etc., because they can't find a typist, so that is another field that is untapped. Chairman Thompson added that it is all connected to the Internet and Jim Eaton added that they also don't make any noise and don't require parking spaces, etc.

Chairman Thompson noted that if the Committee wanted to target one kind of work-at-home people, all it would take is for the City or Chamber of Commerce to invest in a serious website that would be like "Community of Sedona Writers" to get that started. Donna added that there are times that existing businesses also could use that temporary help, not just individuals.

Elemer Magaziner indicated that he has a client in Taos, New Mexico and there is a very good software company there, and their employees are everywhere -- some even in Europe, and they have been successful for about 15 years. They meet in Taos three or four times a year, which is similar to tourists, but it works well. Some people could be employees of a company, for example, he has three employees -- one in Denmark, one in New York and one in San Diego and it works perfectly, but it is hard Internet-wise and you can't do much with just email.

Judy Reddington indicated that she thinks that the City is currently disincenting home businesses, for example, aren't they charging for a business license, and if you are recognized by the City via the business license, you may also be taxed on your product. She isn't sure how to reconcile that, because generally speaking, an in-home business isn't paying taxes on their work product, so the City doesn't benefit as directly as it does from businesses that aren't in-home businesses. She isn't sure how to resolve that issue and she doesn't have a clue as to what other communities may be doing, but she agrees that home businesses are a real asset to the community.

Chairman Thompson noted that other Committee Members were wanting to speak and asked if the Committee was comfortable continuing and addressing Environment in the next meeting; however, Marty Losoff proceeded to say that in the spirit of being visionary, he thinks it is great that the Committee is talking about home businesses, but again, it is a blip. The bigger issue is as a community, we should be the most wired city in the country, so we can provide all of the technological advances for all businesses, and not necessarily concentrate the Plan on home businesses, but be a City that is as technologically advanced as any city in the country. Who knew five years ago that we would have such things as what we have today, and in 10 to 20 years, we should have the technological ability to accomplish whatever people want to accomplish.

John Sather indicated that the real issue is if you stack the un-built or under-built, meaning they aren't built to the full capacity of their zoning, and look at those properties, 90% of them are looking at a tourism use for their ultimate use. If we accept the premise that the Community alternative is to reclaim the place as ours . . . , for example, while recently at a local restaurant, he, his wife and the owner of the restaurant didn't recognize anyone in the restaurant, so they came to the conclusion that everyone else there was from out of town, and he wants to live in a place where he is going to

run into people he knows. We need to look for economic alternatives for the property owners, so they have other alternatives in their minds that aren't just to build the next Marriott, etc. He was in Maine, and it was frightening to see a brand new putt-putt golf course open outside of a National Park, but he just saw one and who knows when that is coming.

Vice Chairman Robson indicated that one thing that is really discouraging to him about the art shows is that he will have four to five people every week indicate that they want to buy something and ask for the best deal he can make on it, and he may offer to take 10% off, but they ask how they can get around the taxes and he says he can't. Then, they tell him that the guy at the art show said that wouldn't be a problem, so things that undermine the community like that need to be looked at as well. Judy Reddington asked if there is an Itinerant Peddler's License and Mike Raber stated yes. Kathy Levin explained that each vendor has to be accountable to the organizer, and Vice Chairman Robson added that he has to defend himself with his customers, when he says that he isn't going to do that.

Mike Raber noted that he thinks those art shows are connected to special events and they register everything together. You can't just go out and open a stand without being part of a special event. Vice Chairman Robson indicated he understands that, but there is no oversight on those events to question what is going on, and Jim Eaton added that they compete with the established local businesses.

Mike Bower referred back to "walkable community" and noted that he just read a book called, "The Great Good Place" that is all about third place, and in the book, the theory is that first place is home, second place is work, and in America, that is pretty much all we have, although most other cultures have third place. For example, the French bistro culture where families go twice a day, the local pub in England that people can walk to, and the community gardens, neighborhood centers, etc., aren't off in the future new paradigms -- they are actually historically ingrained in human genetics and they are critical to having a sense of community, like John and Elemer going out to have a little human contact, but you can't have a third place without walkability, because it takes frequency and density. Third places don't survive without enough interactive use, and we may be at a juncture with the Community vision, because even though some people don't like tourism, we aren't going to get community, because we are almost beyond suburban, which is low density and has nothing to walk to. You aren't allowed to make anything to walk to except another home, so unless you live close enough to a Commercial zone, everything is zoned separately. The big thing we have to work on for the Community vision is how to create the community encounter, and it comes with walkability, and walkability in any area other than a really small hill town in Italy requires public transportation. You aren't going to have a walkable community without public transportation.

Mike Bower also explained that it is great to talk about the nuances of home businesses, but conceptually, home businesses are somewhat anti-community and you counter that by creating a think tank, creative commons, etc., but if everyone reverts back to the "leg stand" of one place and make everything happen there . . . He was shocked to learn that French people don't invite anybody to dinner; they invite them to their bistro, and then they pay for it and the waiters treat them. It is just part of their culture, so with Community, we have a huge hurdle on our hands. He is all behind retaining youth, providing economic development diversity, etc., but from a planning perspective, it is more like when we talked about neighborhood centers. He doesn't think we will get to the level of defining each neighborhood or its center, but we will make an illusion to that, where we know we have something interesting, like maybe legitimizing the little commercial country corner in Rio's neighborhood to be a neighborhood center.

Chairman Thompson indicated that in the interest of time, agenda item 5 would be considered finished for now, but we will come back to it if there is time.

**6. Discussion/Possible action regarding community outreach ideas discussed by the Community Outreach Subcommittee. (10 minutes – 4:45 – 4:55 p.m.)**

Chairman Thompson indicated that this item is basically a quick summary of what the Subcommittee came up with.

Kathy Levin reported that the Subcommittee met on June 7th and framed some questions to discuss, and they included the following:

- What can we be doing during this phase of refinements and drawings?
- What do we want to convey to the public?
- How do we sustain interest during this period?
- Does everything we do only point to a series of meetings in the fall?
- What additional groups do we want to reach out to during this season and when we start-up again in the fall?

Kathy explained that around those questions, the Subcommittee talked about the work that Jim Eaton is doing to take the PowerPoint that Mike put together on the 14th and marry that with an audio version to get it on the website. Kathy indicated that the Subcommittee also discussed the presence we have in the Red Rock News and the content of those issues, in addition to an opportunity to perhaps have Stephen DeVol interview a couple of individuals in the Community Development Department and members of the Citizens Steering Committee.

Kathy added that they also discussed a fall survey that would be linked to the meetings and to the displays. The displays would be out with information on them in different places in the community, and they would reflect the three themes, and perhaps ask the public to rank the big ideas. They then talked about other constituent groups that we may want to meet with, including Sedona Thirty and going back to families later in the process.

Kathy indicated that they also discussed various venues that we might want to go to for meetings or placement of the displays. She prepared a lot of the venues and got information about the prices, seating capacity, audio visual and projector screen availability etc., and she divided them into three areas -- West Sedona, Uptown and S.R. 179, so we can place the meetings strategically throughout the community.

Chairman Thompson referenced the monthly column in the newspaper and indicated that we can always use more ideas for future columns. Mike Raber added that another thing that came up was to possibly highlight the work that Mike Bower and John Sather is doing as an interest area leading up to the fall, and maybe even have some video snippets or pictures to go along with that to generate some interest, but we also could possibly do that by publishing a schedule.

John Sather indicated that a few of these little nuggets could be tested if somebody could expand upon them. He isn't trying to create controversy, but if you talked about that this group had it on the table to maybe phase out the airport and create a complete wind/solar farm, somebody would read it and write about it in the Letters to the Editor, but some of that could get out there to keep things . . . Vice Chairman Robson interjected that you could get some interesting criticism and feedback and maybe even some new ideas.

Jim Eaton asked if the Subcommittee didn't also talk about dividing the City into eight or nine super-neighborhoods and having local meetings to learn their local needs. Mike Raber indicated that we would definitely have meetings in many different parts of the community, and we will hear from those local areas, but our focus was to be taking out the same message to different parts of the community, and then get the input. One thing that Mike Bower mentioned we might do, if we have highlighted articles about their work, is maybe be able to do some awareness walks as an outgrowth of that, so that might be an opportunity this summer, while we are getting the work done. Chairman Thompson added, "Between 6:00 a.m. and 7:00 a.m."

Judy Reddington asked about the timeline and Mike Bower indicated that they are going to need another six weeks or so to pull it together, and then the community will need another six weeks or so to absorb it. It doesn't do much good to pull it together and try to move really quickly to the

balanced idea without people understanding and having that interaction to share feelings between the strong tourism person and the strong environment person. A lot of what we are trying to do is build a community culture of good open dialogue without polarizing ourselves, and learning how to compromise, so he thinks there is a chunk of time involved of about three to four months total.

Judy Reddington asked about keeping the public involved in the interim and Mike Bower stated that the interim might be about 6 weeks. Judy indicated that we would then be back to wanting a lot from them in the fall, so there are limits to what we can effectively do in terms of outreach and the articles in the paper, but we possibly could do some interaction kinds of things. Jim Eaton indicated that he wouldn't depend on the monthly columns for much, but we can also do some features or encourage the Red Rock News and others to do some. We discussed sitting down with them and there was reference to one, to interview some City staff on, for instance, what would Sedona look like without a Community Plan? What good things have happened, because of the Community Plan and what bad things haven't happened?

Judy Reddington then stated it is not much of an interim and we want to get ready to launch the ideas, because people are really preoccupied for the next two months anyway, so their attention would be hard to get. Chairman Thompson agreed that there is still a need to plan for the fall, but it is good for the Committee to hear this report.

Kathy Levin indicated that there is no Subcommittee meeting this Thursday, but she will schedule one for next Thursday. Mike Raber added that there is a format meeting tomorrow.

**7. Discussion regarding future meeting dates and future agenda items.**  
**(5 minutes – 4:55 – 5:00 p.m.)**  
**Tuesday, July 10 and July 24, 2012**

Chairman Thompson indicated that the next committee meeting is three weeks from today on July 10th. Kathy Levin noted that she sent that information out in the same email sent for this meeting; July meeting dates have been changed to July 10th and 24th.

**8. Adjournment.**

The Chairman adjourned the meeting at 4:50 p.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Citizens Steering Committee held on June 19, 2012.

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Donna A. S. Puckett, *Recording Secretary*

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Date